GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:5557
ANSWERED ON:02.05.2005
DECLINE IN PUBLIC INVESTMENT IN AGRICULTURE
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether there is any decline in public investment in agriculture;

(b) if so, the action taken for more investment to revive growth in agriculture; and

(c) the achievement made in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI KANTILAL BHURIA)

(a) Public investment in agriculture, including forestry & logging and fishing measured in terms of the statistics of Gross Capital Formation (GCF) registered a steady decline in real terms (at 1993-94 prices) from Rs. 53.69 crore in 1994-95 to Rs. 4444 crore in 1998-99. During the subsequent years the trend in public investment was marked by increase and decline in alternate years. The details are given in the enclosed Statement.

(b) and (c) Experience shows that the factors contributing to low performance of Indian agriculture include poor marketing infrastructure, low level of investment in irrigation and inadequate flow of credit to agriculture. The Union Budget for 2005-06 has, therefore, provided higher allocation for irrigation, proposed further step up in credit flow to agriculture, and introduced new schemes for promoting horticulture and marketing. The following schemes assume significance in this context:

(i) National Horticulture Mission: A sum of Rs.630 crores has been provided for the scheme, aimed at ensuring end-to-end approach having backward and forward linkages covering research, production, post harvest management, processing and marketing in an integrated manner.

(ii) Development/Strengthening of Agricultural Marketing infrastructure, Grading and Standardization: A sum of Rs. 72 crore has been allocated for the scheme aimed at inducing large investment from private and cooperative sectors for setting up agricultural markets, marketing infrastructure and support services such as grading, standardization etc.

(iii) Accelerated Irrigation Benefit Programme (AIBP): It was launched in 1996-97 to encourage the states for completion of ongoing irrigation projects through Central Loan Assistance, This has been reviewed recently and the focus has been on completion of last mile projects. The programme covered 181 major/medium irrigation projects or components of projects and 3,810 surface minor irrigation schemes upto 2003-04. An irrigation potential of 2.7 million hectares was created under the programme through major/medium irrigation projects by the end of March, 2004 whereas an irrigation potential of 80,000 hectares was created through surface minor irrigation schemes during the same period. In 2005-06 an outlay.of Rs. 4800 crore has been provided to improve the pace of implementation, compared with Rs. 2800 crore in 2004-05.

(iv) Micro Irrigation: Micro irrigation scheme is expected to promote water use efficiency in Indian agriculture. About 1.4 million hectares have been covered under micro irrigation so far and it is proposed to increase the coverage to 3 million hectares by the end of the 10th Plan. Accordingly, a sum of Rs. 400 crore has been allocated for the scheme, aimed at promoting micro irrigation technology comprising drip and sprinkler irrigation on a large scale in the year 2005-06. About 1.2 million hectares have been covered under micro-irrigation so far and it is proposed to increase the coverage to 3 million hectares by the end of the 10th Plan.

(v) Agriculture Credit: The banking sector comprising cooperative banks, regional rural banks and commercial banks disbursed Rs. 108, 500 crore in 2004-05, which is to be raised by 30% in 2005-06.